

INFORMATION SUMMARY FOR THE PUBLIC

Host Countries:	Target Countries: Tanzania, Kenya, Rwanda, Ethiopia, Zambia, Philippines, Uganda, Ghana, India
Name of Borrower:	Beyond The Grid Solar Fund, LLC (the “Fund”)
Sponsor:	SunFunder Inc. (“SunFunder”)
Project Description:	<p>Approximately 2.1 billion people around the developing world live without access to reliable energy and must rely on expensive and inferior incumbent energy sources such as kerosene and diesel for their lighting and electricity needs. Solar energy is a commercially viable solution to replace these fossil fuels and to increase energy access. Sales of off-grid solar lighting and home energy solutions is growing rapidly in developing countries and has the potential to enable consumers to leapfrog the electricity grid much like cell phones enabled them to by-pass land-line telephony. However, the solar industry lacks access to sector-specific financing to support its growth, which is a key impediment to more extensive scaling in emerging markets. In response to this need, SunFunder, a specialized fund manager and financial intermediary, offers financing solutions that are tailored to the needs of the off-grid and grid-deficit solar industry. In order to secure stable, long-term financing, SunFunder has launched the Fund to provide financing to companies operating along the solar off-grid and grid-deficit value chain. OPIC will play the role of anchor investor to the Fund. As a result of its lending operations, SunFunder estimates that the Fund will enable several million individuals to benefit from switching from kerosene to solar energy over the next five years, thereby enabling households and businesses in low-income communities to reduce their expenditures on energy while significantly reducing CO2 emissions.</p>
Proposed OPIC Loan:	\$15 million senior loan, with tenor of up to 5 years
Term of Fund:	5 years
Selection Process:	SunFunder applied to OPIC under the Innovative Financial Intermediaries Program (IFIP) – a pilot created to support financial intermediaries investing in OPIC-eligible countries through pooled investment vehicles containing elements typical of both of OPIC’s direct Finance and Investment Funds programs, but that did not fit squarely within either Investment Funds or Finance processes. Proposals are batched and reviewed

	<p>quarterly with the assistance of an independent consultant. The Fund’s proposal was reviewed by the IFIP Screening Committee on August 26, 2014, by the IFIP Evaluation Committee on February 26, 2016, and by the OPIC Investment Committee on March 18, 2016.</p>
<p>Policy Review</p>	
<p>U.S. Economic Impact:</p>	<p>The project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this project, and, therefore the project is expected to have a neutral impact on U.S. employment. The project is expected to have a positive impact on the five-year U.S. balance of payments.</p>
<p>Developmental Effects:</p>	<p>The project is expected to have a highly developmental impact by expanding the availability of debt financing to growing off-grid solar companies, the majority of which will be located in Sub-Saharan Africa. An estimated 95% of those living without electricity are in Sub-Saharan Africa, and off-grid solar solutions are often the cheapest and fastest way to extend energy access. The vast majority of the downstream loans will support small and medium enterprises, and an estimated 25% of financing will support women-owned or women-led businesses. An estimated 73% of the Fund’s customer base will be located in rural areas.</p>
<p>Environment:</p>	<p>The project has been reviewed against OPIC’s categorical prohibitions and has been determined to be categorically eligible. Projects involving loans to non-bank financial intermediaries (NBFIs) for the purposes of SME on-lending are screened as Category C projects under OPIC’s environmental and social guidelines. The environmental, health, safety, and social impacts from the project are considered minimal. However, in order to ensure that the project is consistent with OPIC’s statutory and policy requirements, the OPIC-supported loans made by the Fund will be subject to conditions regarding the use of proceeds, and the Fund will be required to provide a healthy and safe work environment for its employees. The Fund’s activities, which involve providing loans to SMEs, are not vulnerable to climate change and therefore a climate change resilience assessment is not needed. The Fund has an Environmental and Social Management System to screen and assess potential environmental and social risks of projects it supports, but will be required to develop a formalized community grievance mechanism.</p>
<p>Worker Rights:</p>	<p>The project will be required to operate in a manner consistent with the International Finance Corporation’s Performance Standard 2 on Labor and Working Conditions, OPIC’s</p>

	<p>Environmental and Social Policy Statement, and applicable local labor laws. OPIC's statutorily required language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age of employment, prohibition against the use of forced labor, and non-discrimination. Standard and supplemental contract language will be applied to all workers of the Fund.</p> <p>Loans to solar companies will be restricted with respect to the borrowers' operations, including the employment of minors and other applicable labor law requirements. The Fund has developed and implemented a Social and Environmental Management System that addresses labor risk commensurate with the risks associated with the Fund and consistent with the requirements of the International Finance Corporation's Performance Standards.</p>
Human Rights:	OPIC issued a human rights clearance for the project on March 3, 2016.